

Governmental Affairs Committee Special Investigation into Campaign Finance Illegalities and
Improprieties during the 1995-96 Election Cycle

FINAL REPORT

ADDITIONAL VIEWS OF SENATOR COLLINS (R-ME)

I agree with the findings and recommendations set forth in the Report of the Governmental Affairs Committee Special Investigation into Campaign Finance Illegalities and Improprieties during the 1995-96 Election Cycle. While I am filing additional views to emphasize my belief that the Committee's hearings also demonstrate the need for fundamental changes in our campaign finance laws, it is imperative that calls for reform, whether made by me or others, not be used to justify the failure to enforce existing laws. Thus, my endorsement of new legislation in no way diminishes my support for the Committee's recommendation advocating the appointment of an independent counsel and urging "the Department of Justice to aggressively pursue the many instances of apparently illegal activity as set forth in this report." Indeed, without aggressive enforcement that is impartial both in fact and in appearance, enacting new laws is a meaningless gesture.

Regarding the need for new legislation, the hearings provided overwhelming evidence that the twin loopholes of soft money and bogus issue advertising have virtually destroyed our campaign finance laws, leaving us with little more than a pile of legal rubble. In an area otherwise beset with constitutional disagreements, the Supreme Court has clearly said that Congress may restrict campaign contributions to avoid the potentially corrupting effect of big money flowing to candidates. Yet, the efforts of Congress to establish such limits, made in the aftermath of the Watergate scandal, have been undermined by the loophole-seekers, who after years of probing,

discovered that by making creative uses of soft money and running negative campaign ads with nominal references to issues, they could get around the barriers erected to prevent large donations from eroding the confidence of the American people in our electoral process.

Without reviewing the mass of evidence presented at the hearings, the episodes involving Roger Tamraz and Yogesh Gandhi suffice to show the use of soft money contributions to purchase access to high-ranking officials, including the President of the United States. In the first instance, an individual facing an Interpol arrest warrant for allegedly embezzling more than \$150 million, made or solicited more than \$300,000 in donations, with much of that amount going to the Democratic National Committee (“DNC”) in the form of soft money, to buy entry to the White House to promote a pipeline project. Feeling no uneasiness at trading money for access, Mr. Tamraz proudly volunteered to the Committee that next time he would double his largesse. Similarly, Mr. Gandhi, having been denied a meeting at the White House, made a donation to the DNC of \$325,000, allegedly in laundered foreign money, to obtain a picture with the President for two foreign business associates eager to impress potential customers with their connections to the leader of the most powerful country on earth. Conduct of this sort makes a mockery of the \$1000 campaign contribution limit imposed on individuals.

Even more damaging to our democracy is the perception that soft money contributions may buy not only access but results as well. The Hudson Band of Chippewa Indians, an impoverished tribe in the State of Wisconsin, has every reason to suspect that the denial by the Secretary of the Interior of its casino license was driven by the expectation of large soft-money donations by the wealthy tribes opposing its application. The fact that Native Americans now apparently feel they must play the soft money game to participate in our democracy may be saddest commentary of all

on our campaign finance system.

The hearings also reinforced what every American television viewer learned in the 1996 elections, namely, that bogus issue advertising makes a sham of our campaign contribution limits. These ads usually take the form of savage political attacks thinly disguised as statements advocating a position on an issue. If organizations, some of which are barred from contributing to federal campaigns, and individuals, all of whom are restricted in the amounts they may contribute, are allowed to spend unlimited funds to attack a candidate's opponent, and thereby influence the outcome of the election, the reforms of the 1970's are rendered a dead letter. Indeed, it has been persuasively argued that the situation will have been made worse, as candidates will not even be accountable for this potentially massive and frequently deceptive form of campaign advertising.

At a minimum, the hearings demonstrate a need to close these loopholes to restore the original purpose of the post-Watergate reforms, and I have cosponsored legislation to that effect. But the hearings also suggest a more fundamental problem which, if left unaddressed, will certainly give rise to new loopholes. That problem is the mania for money that has infected our political system.

It would be naive to suggest that the mania for money is new in the political life of our country, but as the hearings revealed, it has reached epic proportions. Indeed, the television ad race has become the political counterpart of the nuclear arms race, characterized by the same insecure feeling that one can never have enough. Unless we address the spending side, we will be condemned to the endless task of plugging leaks in whatever dams we build to limit the flow of contributions.

Before these proceedings began, I announced my support for legislation that would place

voluntary limits on campaign spending in return for reduced-priced television time for political ads and free mailing privileges for campaign materials. The insatiable appetite for television money, revealed in the hearings, has strengthened my belief in the need for such legislation.

The hearings had another effect, however, which was to strip away the illusion that voluntary spending limits or any other solution will be perfect for all times. The pressure for money is so great that we may have no choice but to recognize that there will be a recurring need to amend our campaign finance laws to deal with the latest abuses. In the final analysis, the loudest message of these hearings is that if we fail to aggressively enforce our current laws, and amend them when necessary to close loopholes, we risk a democracy driven not by the quality of one's ideas or the level of one's integrity but rather by the thickness of one's wallet.

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Susan M. Collins